

Farr was joined on the bill by Reps. Darrell Issa (R-Vista), Ann Eshoo (D-Palo Alto), Brian Bilbray (R-Solano Beach), Lois Capps (D-Santa Barbara), Lynn Woolsey (D-Petaluma), Mike Thompson (D-Napa Valley) and Susan Davis (D-San Diego).

The Medicare formula flaw involves a complicated variable known as the Geographic Practice Cost Index (GPCI). The GPCI problem essentially categorized Santa Cruz and Monterey Counties as rural in nature rather than reflecting their urban economies. As a result, the error compensated doctors in the Medicare system in Santa Cruz and Monterey Counties at levels significantly lower than their counterparts in Santa Clara or San Francisco Counties. In some cases the discrepancy in payments was nearly to 25 percent.

“For too long doctors in our communities have been treated unfairly by a Medicare system unresponsive to local health care costs,” said Farr. “Because of this our seniors are in jeopardy of losing access to their doctors. That is an untenable situation. I am hopeful this bill we introduce today will correct the flaws in the Medicare system for the doctors and in doing so protect our seniors’ access to health care.”

A fix to this problem has been advocated for years by the Santa Cruz County and Monterey County medical societies, as well as the California Medical Association (CMA). “This bill finally restores fairness to the Medicare system for physicians. It takes the maps for paying doctors created by LBJ in 1966 and brings them to the 21st century,” said Larry deGhetaldi, MD, President, Santa Cruz Division of the Palo Alto Medical Foundation.

Farr's bill directs the Centers for Medicare and Medicaid Services to redesignate counties so payments are based on a more accurate geographic cost (rural vs. urban) basis. Said Dr. Anmol Mahal MD, President of the CMA, “We are grateful to Congressman Sam Farr and the California authors of this important legislation for working so hard on behalf of physicians and patients to achieve Medicare geographic payment equity.”

The Farr legislation now goes to various legislative committees in the House of Representatives where it will receive scrutiny before being presented to the full House. Farr is hopeful his bill will be voted on later this year, possibly as part of a larger piece of legislation to reform various Medicare issues that is making its way through the process now.

